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24 October 1996

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O R I E N

Mr. Patrick V. Murphy
Deputy Assistant Secretary for
Aviation and International Affairs
Department of Transportation
Washington, D.C.

OST-95-232-46 OST-96-1607-16



Dear Mr. Murphy,

Re: US DOT Order to Show Cause No. 96-10-7 of 7 October 1996

This is in response to the DOT's invitation for comments regarding its tentative approval of the three agreements, IIA MIA, and IPA as defined in the Department's "Show Cause" Order No. 96-1-7 dated 7 October 1996.

By filing of the IIA and MIA (the "Agreeemtns"), IATA and the signatories to the Agreements seek approval of, and grant of antitrust immunity with respect to, these Agreements. In its tentative approval of the Agreements, the Department attaches numerous conditions to its approval.

The Secretariat of the Orient Airlines Association (OAA) views the filing of the Agreements with the US DOT as purely to seek the Department's approval of, and grant of antitrust immunity with respect to, these Agreements. It will be recalled that the DOT granted discussion authority and antitrust immunity to IATA, participating carriers and other parties, by Order 95-2-44 and extended by Orders 95-7-15, 96-1-25 and 96-3-46, which discussion led to the formulation of the IIA and MIA. The immunity for signatories of the Agreements should be granted or denied based on the Agreements' potential for signatories to violate provision of the US antitrust laws.

To the extent that the US government or any government with whom these Agreements are filed for antitrust immunity wishes to impose its own principles or implementation guidelines in so far as passenger liabilities are concerned, there exist more appropriate bilateral or multilateral governmental channels that such government can access. Signatories to the Agreements are not bound by conditions not stipulated in the original agreements they have signed.

Mr. P. Murphy 24 Oct 96 - Page 2 -

As members of IATA, many of the OAA member airlines have signed or have been contemplating to sign the IIA and/or MIA. Some of these members have advised the OAA that the conditions set by the DOT are not acceptable to them. Further, these airlines have requested or will be requesting their governments to

- 1. file protest with the US Department of State
- 2. urgently call for a special meeting of the ICAO Council to consider DOT's proposal.

The OAA urges the Department to reconsider its proposed conditions on the IIA and MIA and grant immediate approval to the Agreements as submitted.

Yours sincerely,

, RICHARD T'STIRL

Director General

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Letter from Richard Stirland, Director General of the Orient Airlines Association addressed to Patrick Murphy was mailed or faxed on October 24, 1996 to the parties listed on the attached Service List.

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